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**Massachusetts Port Authority Annual Report**  
For the fiscal year ended June 30, 1970

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MASSACHUSETTS

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**R**APID and radical changes in sociological patterns, spiraling populations and unprecedented technological developments in all segments of industry and transportation have combined to place diverse and frequently conflicting demands upon the American people and the governmental agencies and private businesses serving them.

Massport, activated in 1959 by the Massachusetts legislature, was established to provide safe, efficient, economical and contemporary air/sea transportation services and facilities for the 5.5 million Bay State citizens.

Then and now, superior commercial air services and facilities, for instance, for Massachusetts and New England were not merely for the benefit of vacationers or a few industry executives. Air passenger and air cargo services are, in fact, the catalytic agents providing the stimulus for a major part of our economic stability and growth. For example, nearly all of the leading product categories manufactured in New England are shipped by air, and more commercial airline passengers, most of them businessmen, fly between Boston and New York than between any other two metropolitan areas in the world.

Yet, the essential, accelerating and rightful demand for these services by most Bay State citizens and businesses have had some undesirable effects on others, specifically those subjected to aircraft noise on the periphery of Logan International Airport and others who have been inconvenienced by Logan development in adjacent neighborhoods.

Massport has and will continue to have among its prime considerations in the development of any project, the well-being of all the people which it serves. The degree of accommodation and service afforded any one segment of the population, however, large or small, must be weighed and be in concert with the statutory responsibilities placed upon Massport by the Massachusetts legislature.

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## Massport Members



**John Larkin Thompson**  
Chairman, Massport  
Palmer & Dodge  
**Thomas G. Brown, Jr.**  
Vice President, State Street  
Bank & Trust Company  
**Frank L. Harrington, Jr.**  
Business Consultant  
**Reverend Albert J. Sallèse**



**Nicholas P. Morrissey**  
Vice-Chairman, Massport  
New England Representative,  
International Brotherhood  
of Teamsters, Chauffeurs,  
Warehousemen and Helpers  
of America  
**Anthony P. DeFalco**  
Director, Franchi Construction  
Co., Inc.  
**Edward C. Maher**  
President, Home Federal  
Savings and Loan Association  
of Worcester

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## Executive Staff



**Edward J. King**  
Executive Director  
**Edward T. Hanley**  
Secretary-Treasurer

### Sheriff Howard W. Fitzpatrick

Served with distinction and dedication as a member of the Massachusetts Port Authority from August 1964 until his death in February 1970.

His interest and industry combined with his deep concern for the dignity of his fellow man are extraordinary qualities that will be greatly missed by the citizens of the Commonwealth of Massachusetts.





Boston-Logan International Airport was opened to commercial air traffic in 1929. In the ensuing decades, and particularly in the last 10 years, it has steadily emerged not only as one of the world's leading airports, but more important, as a vital stimulant to the New England economy.

Massachusetts' substantial pool of highly skilled labor, its vast resources of varied scientific talent including 31,000 scientists, engineers and technicians employed by 931 industrial research labs and other businesses, the Commonwealth's traditional role as a major participant in world commerce with its multitude of financial and other service industries, and a lack of natural resources have combined to produce a regional industrial economy highly dependent upon a comprehensive system of air cargo and passenger services.

For example, of the 10 leading commodities (value by wholesale sales) manufactured in Massachusetts, eight are also among the 10 leading air freight commodities categories handled at Logan Airport.







The Boston waterfront continues its encouraging pattern of growth, brought about to a large degree by the continuing stabilization of a dependable and productive waterfront labor force.

Optimism that this positive trend will continue is being translated into a variety of major action programs, involving commitments of substantial amounts of money and facilities by nearly all of the port-related businesses and agencies.

The nucleus of this concerted revitalization program is the world's largest, all-purpose mobile gantry crane, being constructed by Massport at the new \$15 million Boston-Mystic Public Container Terminal. Due to be operational in early 1971, the crane has already attracted commitments from six major cargo lines — including several which are planning to use new, all-container, cellular, automated ships for their Boston calls.



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The Tobin Memorial Bridge surface reconstruction was delayed for three months by successive cement truck drivers and steel haulers strikes which crippled nearly all major construction jobs in Boston. Bridge traffic, however, actually increased in fiscal 1970 over 1969.

A serious setback for commuters and other Tobin Bridge patrons was the indefinite postponement, and possible cancellation of the Leverett Circle Bridge project by the Metropolitan District Commission. The construction of this new bridge and connector ramps would have helped to relieve traffic on the Tobin Bridge as well as the almost perpetually congested central artery. The MDC is now studying a substitute plan for the Leverett Circle Bridge.

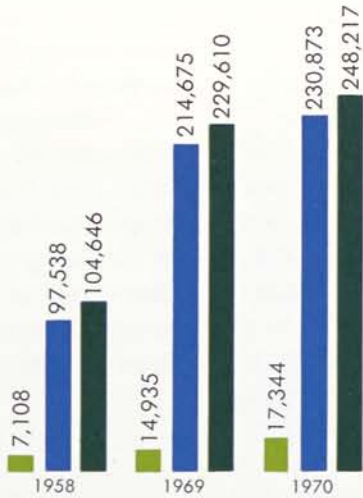


Statistical Highlights

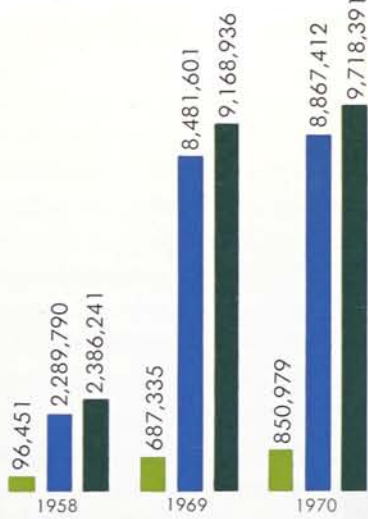
Logan International Airport

- International
- Domestic
- Total

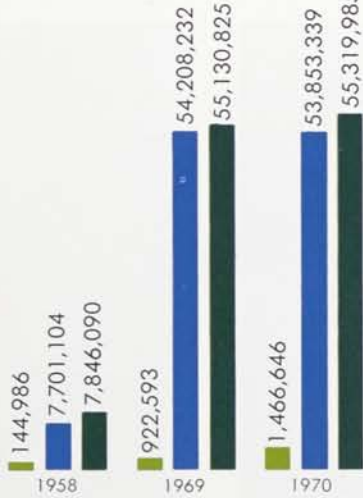
Flights



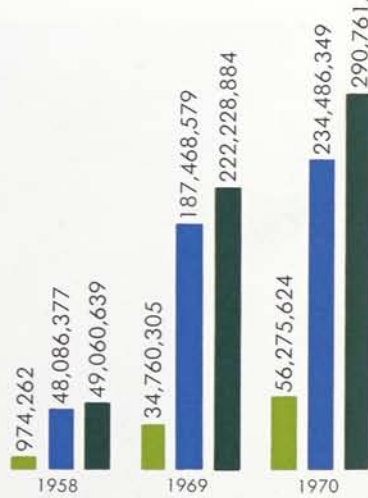
Passengers



Mail (Pounds)



Cargo (Pounds)



- Flights
- Passengers

General Aviation and Non-Schedule





# Port of Boston

(in short tons)

(for calendar years)

1969\*

1968

1967

Foreign						
Imports	9,186,977		8,495,110		7,645,400	
Exports	682,140		735,388		709,768	
<b>Total Foreign Trade</b>	<b>9,869,117</b>	<b>9,869,117</b>	<b>9,230,498</b>	<b>9,230,498</b>	<b>8,355,168</b>	<b>8,355,168</b>
Domestic						
Receipts	11,525,637		11,124,399		11,093,370	
Shipments	1,985,336		1,247,939		798,975	
<b>Total Coastwise Trade</b>	<b>13,510,973</b>		<b>12,372,338</b>		<b>11,892,345</b>	
Internal Receipts	23,200		30,436		None	
Local & Intraport	1,415,456		977,488		1,301,595	
<b>Total Domestic Trade</b>	<b>14,949,629</b>	<b>14,949,629</b>	<b>13,380,262</b>	<b>13,380,262</b>	<b>13,193,940</b>	<b>13,193,940</b>
<b>Total Port Trade</b>		<b>24,818,746</b>		<b>22,610,760</b>		<b>21,549,108</b>

\*Preliminary Figure — U.S. Army Corps of Engineers

## Hanscom Field



## Tobin Memorial Bridge



■ Air Carriers  
 ■ Military Aircraft  
 ■ Civil Aircraft  
 ■ Total

■ Trucks and others  
 ■ Passenger cars — non-commuter  
 ■ Passenger cars — commuter  
 ■ Total

## Of Special Interest

**T**WO of Massport's acknowledged responsibilities, although not specifically identified as such in the Enabling Act which created the MPA in 1956, are its continuing concern with and contributions to the more urgent needs of the communities with which it shares common boundaries and often to various communities throughout the Commonwealth. Frequently obscured by the real yet highly emotional and well-publicized aircraft noise and airport development issues, are the multitude of varied and substantive contributions made to urgent community improvement needs and welfare by Massport.

The list of these single and on-going programs covers the entire spectrum of high priority community needs from the sponsorship of recreational programs to educational assistance to deserving youths, from fire department training to job assistance programs.

### Recreation

Massport constructed and maintains, on an annual basis, a regulation-size lighted Little League Field in East Boston. The original cost of this field was approximately \$22,000 with an annual maintenance contribution of \$2,000. Another \$15,000 has been spent for the construction of a clean, modern play area for East Boston children. A yearly maintenance program for the play yard costs an additional \$300.

One of Massport's major efforts to improve the recreational activities and facilities in the East Boston area was the rehabilitation of the Dominic Savio School athletic field, located on Massport property, for both school and community use at a cost of \$40,000. Costs for annual maintenance and sponsorship of a summer recreation program for East Boston and Winthrop youth at the school exceeds \$6,100.

Various East Boston High School athletic programs have been assisted by Massport. Jackets and sweaters, an "Athletics Banquet", awards and trophies and scholarships have been provided under Massport sponsorship at a cost exceeding \$7,000 annually. Massport also contributes over \$500 annually to the East Boston Jets hockey team as well as to other teenage hockey teams.

### Education

Massport carried on a variety of educational programs during fiscal 1970. Virtually all of these programs were designed to expose teenagers and pre-teenagers to the complex transportation industry, its important role in their daily lives and the career opportunities available in a wide variety of transportation businesses and professions. At Logan International Airport alone, more than 20,000 elementary school children\* were taken on tours, with each tour specifically designed for individual age groupings. This continuing program has received wide acclaim from both tour groups and educators alike.

\*representing 96 Massachusetts cities and towns

In fiscal 1970, Massport sponsored essay contests for high school students throughout The Commonwealth of Massachusetts. One contest involved students in writing about the maritime transportation industry and its importance to our society. The other required similar comment on the commercial aviation business. Winners of the contests and runners-up received one of several Massport, all-expense-paid trips to Seattle, San Francisco, Washington, D.C. or Brussels.

### Fire Department Assistance

One of the country's most modern and effective airport fire departments is located at Logan International Airport. It is specially equipped and trained to fight chemical and fuel fires that might occur within the airport. However, it also conducts training sessions for community fire departments in these specialized areas of fire fighting. To date, 941 fire department personnel from 11 community fire departments have received this valuable training from Logan personnel at no cost to the community departments or to any taxpayer.

Because of its specialized talents and equipment, the Logan Fire Department has been called in to extinguish major chemical and fuel conflagrations. The most serious of these include the Chelsea fuel tank farm fire which would have almost certainly developed into a fire of much greater proportions, threatening lives and property, had it not been for the successful efforts of the Logan Department.

Among its other emergency assistance activities, the Department was called to extinguish a blaze that had been caused by an overturned fuel truck on Route 1 in Saugus when local fire department equipment could not extinguish the fire.



(Left) Recreational facilities built by Massport are enjoyed by children from communities adjacent to Logan Airport.



(Right) A new craft in Boston Harbor will be this fire-rescue boat being built by Massport at no cost to the Massachusetts taxpayer.



### State Police Assistance

Troop F of the Massachusetts State Police is based at Logan Airport. The salaries of the men and all of their equipment are paid for by Massport — at no cost to the taxpayer.

The magnitude of activities and responsibilities of this Troop are similar to those of a police force of many metropolitan areas for Logan is, after all, comparable in many ways to a city. The scope of security duties of Troop F also includes patrol of Massport owned or operated Port facilities as well.

In addition to their involvements with crimes which range from felonies to misdemeanors, Troop F personnel also render emergency medical assistance and transportation to the Mass General Hospital or Medical Aid Station at Logan and provide emergency assistance to communities in the vicinity of Logan.

### Job Assistance and Training

Massport participated in two job clinic programs this year. One was held at Suffolk Downs and consisted of providing information and, where appropriate, interviews for candidates qualified for a variety of openings at Massport facilities. A similar job clinic was conducted at Raymond's Department store in downtown Boston.

Massport was also a participant in an Action for Boston Community Development project. This unique program provided six economically underprivileged teenagers with the opportunity to work "on the job" at Massport for a period of six weeks.

### Aircraft Noise

In no way should these endeavors on behalf of local and statewide communities be construed as efforts to divert community attention or dilute the seriousness of the noise and pollution problems generated by operating aircraft at and near Logan International Airport. To the contrary, Massport considers these to be two very real and serious environmental problems and is continually striving to bring about substantial relief and lasting solutions by sponsoring and supporting legislation which addresses itself to the reduction of noise at the actual source, i.e., the aircraft engine. It also actively supports and endorses programs to require the expenditure of government and private funds to accelerate the scientific and technical research which will lead to the reduction of noise and air pollutants caused by aircraft engines.

Additionally, it is constantly seeking ways in which to adjust aircraft operating procedures both on the ground and in the air to reduce noise irritation. This is done through the joint efforts of the members of the Logan Airport Noise Abatement Committee — one of a few such organizations in the United States to include community representatives among its members.

Besides its participation in the Noise Abatement Committee, Massport instituted a noise surveillance program of its own. Every night between the hours of 10 p.m. and 6 a.m., a Noise Abatement Patrol Truck circulates throughout the airport, enforcing regulations established by the Noise Abatement Committee. The truck operator, who is equipped with sound measuring devices, immediately investigates noise complaints from airport neighbors, takes any appropriate action necessary, and files a report on his findings for review by the Massport staff the next morning. The expenditure for the first year of operation of this patrol is \$12,000.

### Port Anti-Pollution Efforts

To help restore Boston Harbor to its once unpolluted state and to help prevent additional pollution, Massport is a major participant on two committees charged with the safeguarding of the waters of this historic and vital body of water. The Port Emergency Planning Committee this year conducted the most extensive fire/oil spill exercise carried out on the East Coast. The project demonstrated and tested the effectiveness of procedures and facilities which would be used in the event of an actual disaster.

In addition to supporting legislation calling for the cleanup of the Bay State's harbors, streams and lakes, Massport was active as a member of the Harbor Pollution Committee which sponsored a cleanup campaign and which resulted in the collection of more than 300 tons of debris on the shores of Long Island in Boston Harbor.

Massport also carried on a summer shore-line clean-up program in the area of Bayswater Street in East Boston.



(Left) An important function of the Logan Fire Department is training community fire departments in chemical and fuel fire fighting. All costs are borne by Massport.

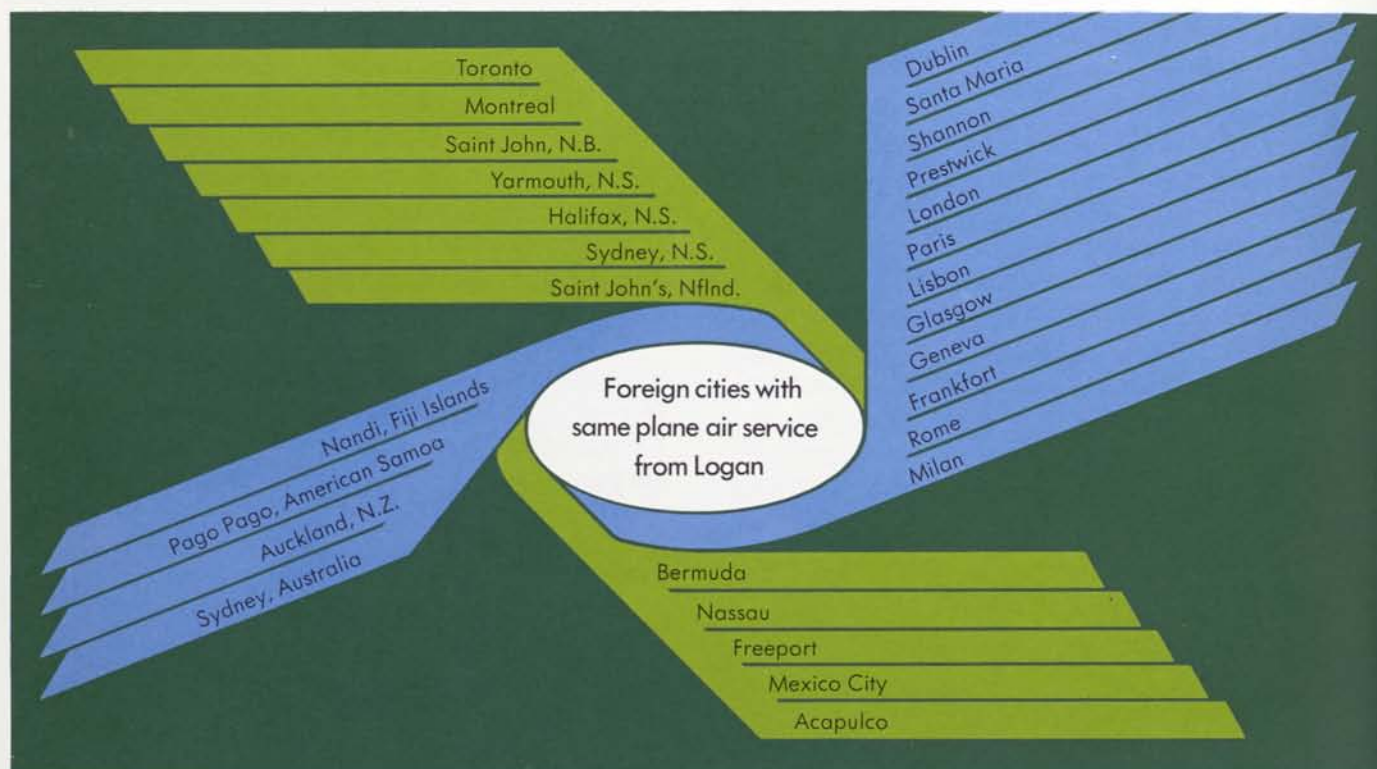
(Right) Massachusetts State Police Troop F duties at Logan cover all law enforcement activities and frequently emergency assistance both on and off the airport.

### Expanded International Air Passenger/Cargo Services at Boston-Logan International Airport.

**T**HE stature of Boston-Logan as one of the world's more important international passenger and cargo airports continued to accelerate during the fiscal year. While growth during the previous fiscal year was to some degree attributable to the overflow from other major East Coast gateway airports which were suffering from air/ground congestion, the growth of Logan's international services this year was due to factors which will provide a real and long-term stable growth pattern. They include:

### 747 Facilities and Services

Logan was one of a very few airports in the world which anticipated and planned and constructed facilities for the introduction of the jumbo 747 jet prior to the actual start of service. In June 1970, when the first 747 arrived on its scheduled PAN AM flight from Boston to London, Logan was ready not only with runway improvements but with passenger facilities specially designed and built to accommodate the 747 as well as conventional jets. As a result of these and other modification and current construction projects, Logan is capable of handling the introduction of other 747 services as may be scheduled by individual airlines.





### New International Route Awards

1. The Civil Aeronautics Board (CAB), U.S. State Department and other involved domestic and foreign government agencies approved new, major services from Boston to South Pacific points, including Australia, New Zealand, Fiji and American Samoa to be served by American Airlines. This award also provides Boston with additional one stop, same plane service to Hawaii.
2. A final Civil Aeronautics Board decision, announced in June, provides Boston with major new and improved scheduled services with the Orient, the north central region of the United States, south central Canada and the Pacific northwest.

The decision gives Minneapolis-based Northwest Orient Airlines, which did not previously serve Boston, authorization to provide service between Boston and:

- St. Paul/Minneapolis — non-stop, first service (awarded to both Northwest and United Airlines)
- Milwaukee — non-stop (competitive service)
- Madison, Wisc.; Rochester, Minn.; Winnipeg, Canada; Grand Forks, North Dakota and Spokane, Wash. — same plane (first service)
- Portland, Ore. and Seattle/Tacoma, Wash. — same plane (competitive service)
- Far East countries — same plane from Boston on existing Northwest Airlines routes from Seattle/Tacoma.

Northwest Airlines was selected to provide the service largely because of its ability to give Boston direct access to a number of Far East countries over its existing routes from the West Coast. The airline currently has service with Seoul, Korea; Hong Kong; Okinawa; Taipei, Formosa; and Manila in the Philippines.

3. Trans World Airlines has been authorized to serve Boston also as a co-terminal city linking its domestic routes with a new trans Pacific route to Hong Kong. In effect, this will provide Boston with a second United States around-the-world air carrier. Swissair and Aeronaves de Mexico are currently negotiating for Boston service.

### Promotion

For the second consecutive year, Massport has conducted extensive promotional campaigns with travel agents and air cargo customers in the United States and in Europe to provide information on Boston's comprehensive domestic and international services. Additionally, two aviation marketing specialists, one headquartered at Massport's Brussels office and another located in Boston, have been added this year to the aviation staff to conduct continuing promotional programs throughout the year in Europe and the United States.

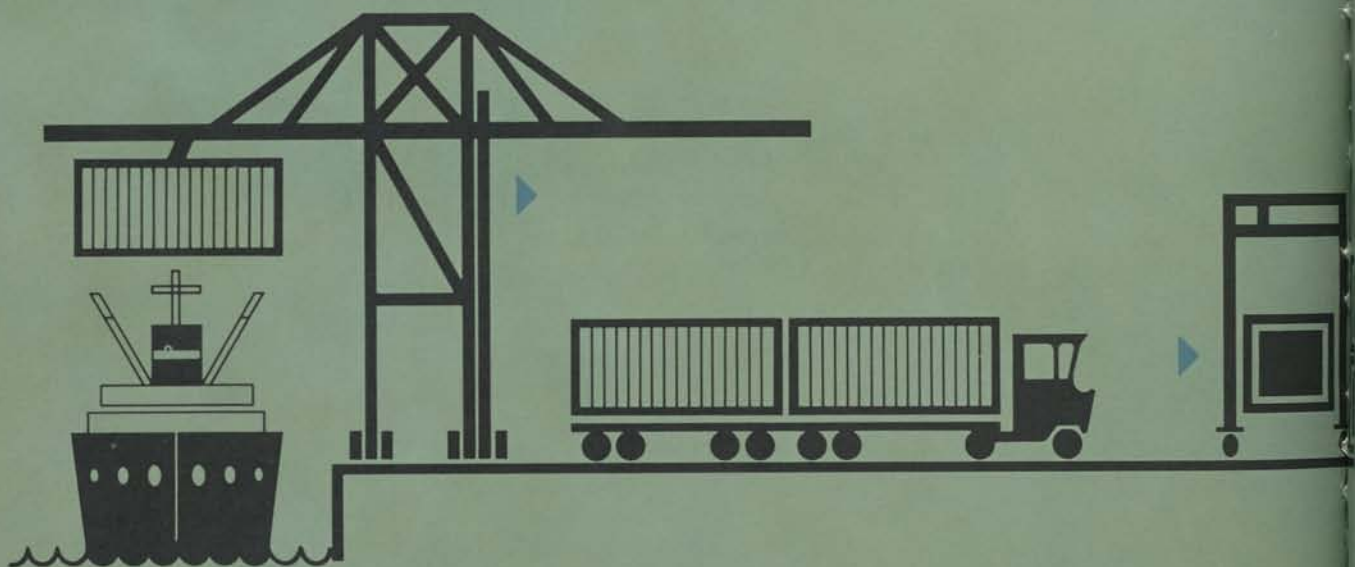
**T**HE first phase of the new Boston-Mystic Public Container Terminal is due to be in operation in early 1971, and will serve as the major stimulant to shippers and shipping lines to once again add the Port of Boston to their schedules and to convince New England businesses that Boston can once again be operated efficiently and to their economic benefit.

The container complex to be paid for completely with user charges and revenue bond income is located on 41 acres of land in Charlestown purchased by Massport in 1961. Previously the land had been used exclusively by one of the country's major scrap metal companies. The company



## Boston-Mystic Public

Largest capacity, high speed, multi



(1) Fully containerized cellular as well as standard general cargo ships and bulk carriers with up to 40 foot drafts can be accommodated at this 900 foot pier. Lines already scheduled to use the new facility include: Associated Container Transport - Boston/New Zealand and Australia Barber Line - Boston/Pacific and Far East ports Boston Line - Boston/U.K., Germany and the Netherlands Furness Line - Boston/Liverpool Hansa Line - Boston/Italy and France, Mediterranean ports Other lines are currently negotiating for the use of the facility.

(2) The Japanese-built, 70 ton capacity Hitachi Container Crane will travel along 800 feet of pier-side trackage. The actual container lift (capable of handling any size container) will also be capable of a 270 foot travel from ship to pier. Containers can be handled at the rate of 30 per hour - 10 times faster than current handling methods.

(3) Containers lifted by the 230 foot-high crane may be deposited on one of four "elephant trains" for delivery to the marshalling yard or stockpiled directly beneath the crane's backreach arm. Each train can carry six 20 foot container units.

(4) Upon arrival at the marshalling area adjacent to dockside the containers are removed from the "elephant trains" and stacked by mobile yard equipment.



will continue to lease a portion of the site for its growing scrap operations.

The first phase of the container complex development will include the erection of a 70-ton capacity Hitachi gantry crane, capable of handling all sizes and types of containers as well as bulk and general cargoes. Besides the crane, 900 feet of berthing space will be dredged to a depth of 40 feet. The purchase of 30-ton capacity container handling equipment for use in the marshalling yard and a completely paved area for storage, trucking and rail operations will complete the first phase of development.

Additional development will be warranted by the acceptance and successful use of the facilities constructed in

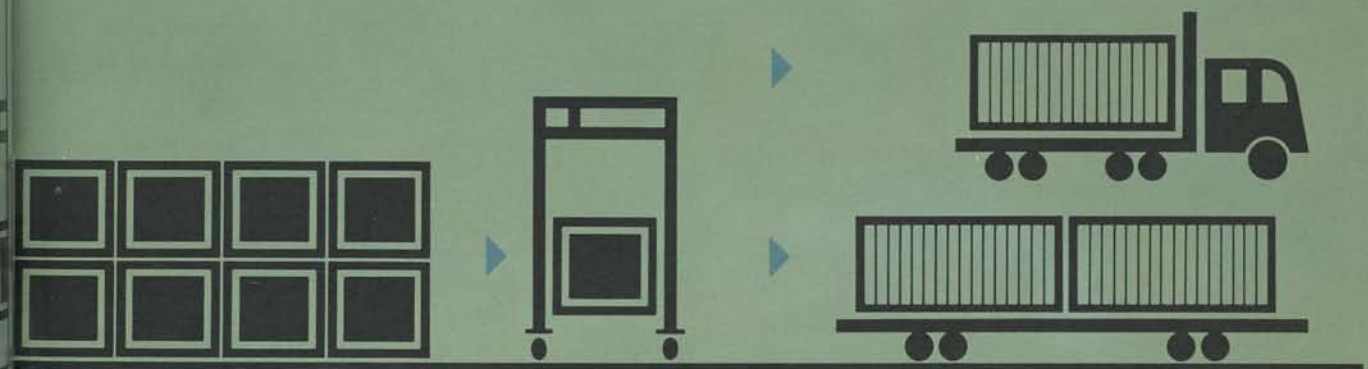
phase one. It will include at least one more gantry crane, container-consolidation facilities, a transit wharf-side shed, maintenance building and additional associated shuttle equipment.

Studies are also presently being conducted by Massport to determine if an area next to the existing Mystic Pier can be successfully developed as a roll-on, roll-off cargo facility.

After a short training period conducted by Massport for container terminal personnel, including the crane operators, 20 and 40 foot containers can be loaded or unloaded from ships at rates of 20 to 30 containers per hour.

## Container Terminal

pose, gantry crane in the world



(5) The container marshalling area – just a few feet from dockside, will be used for assembling individual import or export cargo loads. Up to 4,000 containers can be stored in the marshalling area at one time.

(6) When the container is to be shipped to its inland destination, the mobile gantry crane removes it from the marshalling area and delivers it either to an over-the-road truck chassis or rail flat car.

(7) The terminal is adjacent to major non-stop North-South and West super interstate highways and will be served by several truck services as well as two major railroads – Boston and Maine and Penn Central.

## Aviation Division

The guiding development philosophy of Massport that results in building projects is one dictated by needs of the region in which it is located. There are no other reasons for its existence or improvement.

1) In providing superior passenger and cargo facilities and services, Logan International Airport makes a substantial and identifiable contribution to the stability of New England businesses, including the expansion and attraction of industries.

2) Logan facilities and air services fill a transportation void created by the absence of adequate ground transportation services to cities located within a few hundred miles of Boston, i.e. Washington, Philadelphia and New York.

3) Logan provides new and improved air facilities and services to help stimulate one of New England's major industries — tourism.

All Massport endeavors at Logan answer one or more of these needs.

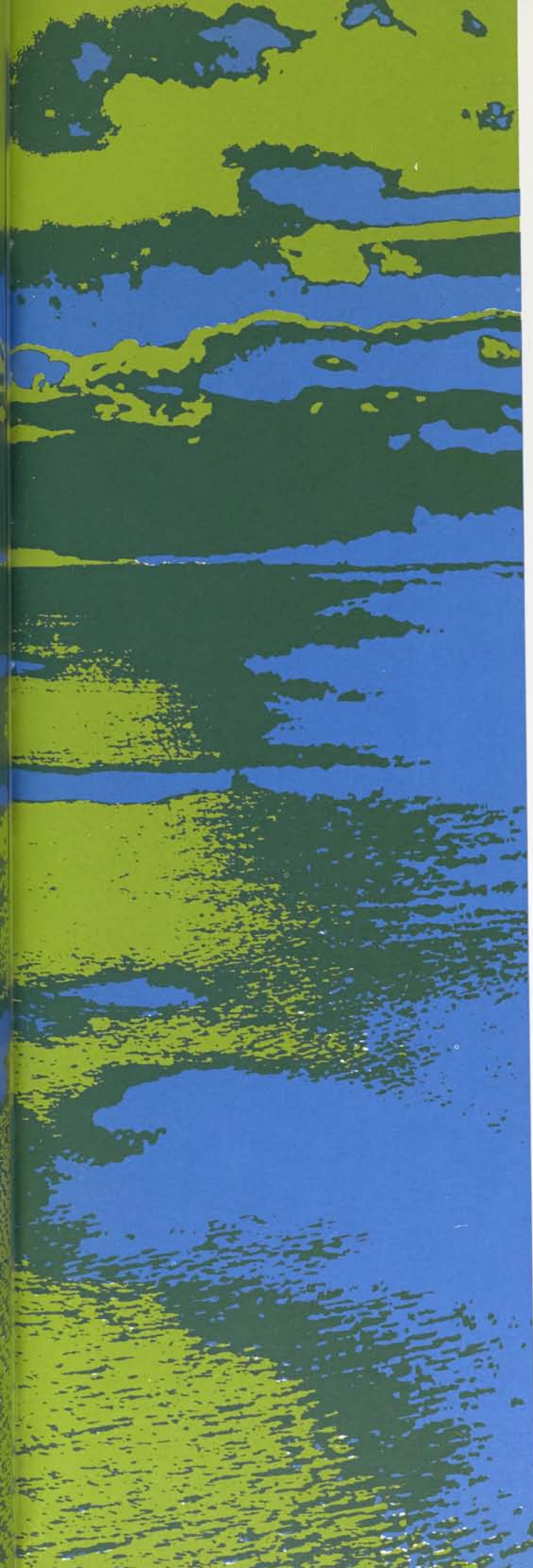
**N**O other single industry in the long history of man's efforts to improve his transportation modes and efficiency has developed as fast as aviation. But not all of the various segments of this burgeoning industry have developed in what might be considered the most efficient manner.

Aviation authorities agree that the progress achieved in increased aircraft capacity, size and operational demands has not been matched by similar progress in other, interrelated and interdependent segments of the air transport system, i.e. airlines passenger handling capabilities, flight-control systems, route structures and airport construction.

Massport, since its activation in 1959, has had among its highest priorities the detailed examination of the basic







maladies of the aviation industry, their current and future effects on air passenger and cargo service to Massachusetts, and the application of remedial policies and development programs to overcome or minimize existing and anticipated negative effects of this wide industry gap.

Simply stated, every Logan-Massport development program has had to withstand the test of need — both current and anticipated. Every facility on the field, parking areas, terminals and roadways built by Massport have been built to operate efficiently for the current needs, yet flexible enough to handle the demands of the future with relatively little modification. The results of this extensive planning are being manifested in the completion of a number of major building projects and the beginning of others.

In this fiscal year, the new Southwest Terminal (with Eastern Airlines as the prime tenant), specifically designed to cater to the short-haul shuttle passengers, was completed at a cost of \$20 million. The terminal was designed to eliminate several problems frequently plaguing terminals of earlier design. First, the curbside-to-plane walking distances were reduced to a minimum. Parking areas on four levels directly over the terminal served also to reduce the walking distances from the automobile to the plane. Curbside baggage check-in was another feature. This has the advantage of not only expediting the baggage handling but it also eliminates one of the primary causes of confusion at ticket counters.

In December 1969, second level loading concourses at the North Terminal were completed. The final design of these piers was an excellent example of the perceptive planning carried on at Massport. The design was originally started in 1966. However, when it became evident that 747 jumbo jets would be in service in 1970 the piers were redesigned to accommodate the 400 plus passenger



capacity of this huge aircraft. As a result, when the first 747 arrived at Logan in June 1970, the Airport was ready for it and congestion has been avoided.

By the end of fiscal 1970, construction of a temporary \$4 million terminal was nearing completion to accommodate passengers and aircraft while the new 1/4 mile long, \$80 million South Terminal is being built over the next four years.

The seven-level structure will have several complete, decentralized service units.

Each service unit will provide all automated baggage handling, ticket processing, aircraft loading and ground transportation facilities within a few feet of curbside. Parking will be on four levels over these units. The interior roadway will extend more than a mile through the terminal varying in width from three to four lanes.

The extensive system of integral roadways, combined with temporary curbside pick-up and drop-off space for 200 cars, buses and taxis, and an additional 2,700 spaces on upper levels for long-term parking, ensure that the dynamic and functional character of the structure is preserved.

To provide for a steady international passenger growth rate, Massport is completing design of a \$25 million new International Terminal. This terminal, as is the case with other new terminals, will be able to serve the jumbo as well as conventional jets. The investment in this terminal is more than justified by Logan's International passenger growth rate and its importance as a major international air hub (Logan is the second largest European gateway airport on the East Coast in terms of origin/destination passengers). It is due for completion by late 1973.

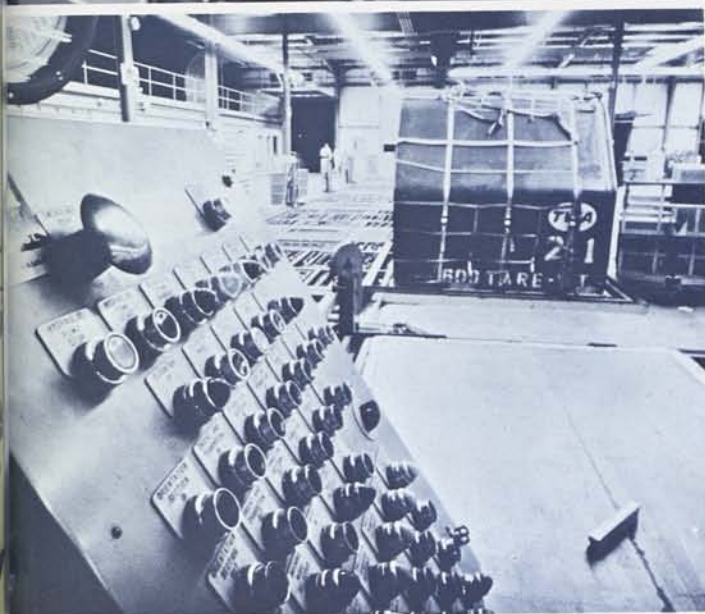
In addition to the numerous new terminal projects in various stages of development at Logan, two other major projects are in progress. Two levels are currently being



*(Upper left) The Boeing 747 jumbo jet started regular service into Boston in June 1970.*

*(Lower left) Architect's rendering of proposed new International Terminal at Boston-Logan International Airport.*





(Upper right) Southwest Terminal built by Massport for Eastern Airlines was opened in fiscal 1970.

(Lower right) Automated handling system speeds important New England air cargo to all parts of the world via Logan.

added to the central parking garage. With the addition of 2,200 parking spaces, a grand total of approximately 8,000 short and long term spaces will be available for Logan patrons by early 1971, when the garage levels are completed.

Also, to increase safety and efficiency factors at Logan, plans for a new control tower (reported to be taller than any existing tower in the United States) are in the final stages. This \$5 million project is due for completion by mid-1972.

#### Runway Reconstruction

By the fall of 1970, Massport will have completed major reconstruction and routine rehabilitation work on four major runways at Logan at an approximate cost of \$6 million. Rehabilitation of airport runways is a cyclical project and except for routine intermediate maintenance, is required only every 10 years. The current runway construction includes among its major elements: the strengthening of surfaces for heavier aircraft; new, highspeed turnoffs to increase runway capacities; widening; new lighting and the replacement of electrical conduits.

Because of New England industries inherent dependency upon domestic and international air cargo services, Massport has earmarked substantial funds and space for development projects in this area.

The major development is the reclamation of 218 acres of Boston Harbor — the Bird Island Flats area — to be used as the foundation for an "Air Cargo City" at Logan. Once the dike work is completed in 1971, fill operations will begin. The land preparation costs are expected to be about \$30 million with buildings and facilities expected to cost approximately \$50 million.



## Maritime Division

**A**BOUT two years ago the Port of Boston was marked for elimination by the maritime general cargo industry including major steamship lines, maritime economists and a variety of other businesses and agencies involved in world maritime trade.

It was their opinion that considering the declining state of the Port of Boston and the many evolutions in maritime technology and economics and trade patterns world wide, Boston could no longer compete effectively as a major world Port for the all-important general cargoes.

1) it was reputed to be, with justification, the highest cost port in North America

2) it was judged to be among the least dependable in terms of its waterfront labor force

3) rapidly rising over-all operating and capital costs required steamship lines to consolidate their cargo handling facilities and administrative functions by eliminating ports of call.

New York, for a variety of reasons, was selected as the prime consolidation point for the North Atlantic coast. Besides, it was argued by those who favored New York, there was easy accessibility to New England importers and exporters over a comprehensive system of interstate express highways.

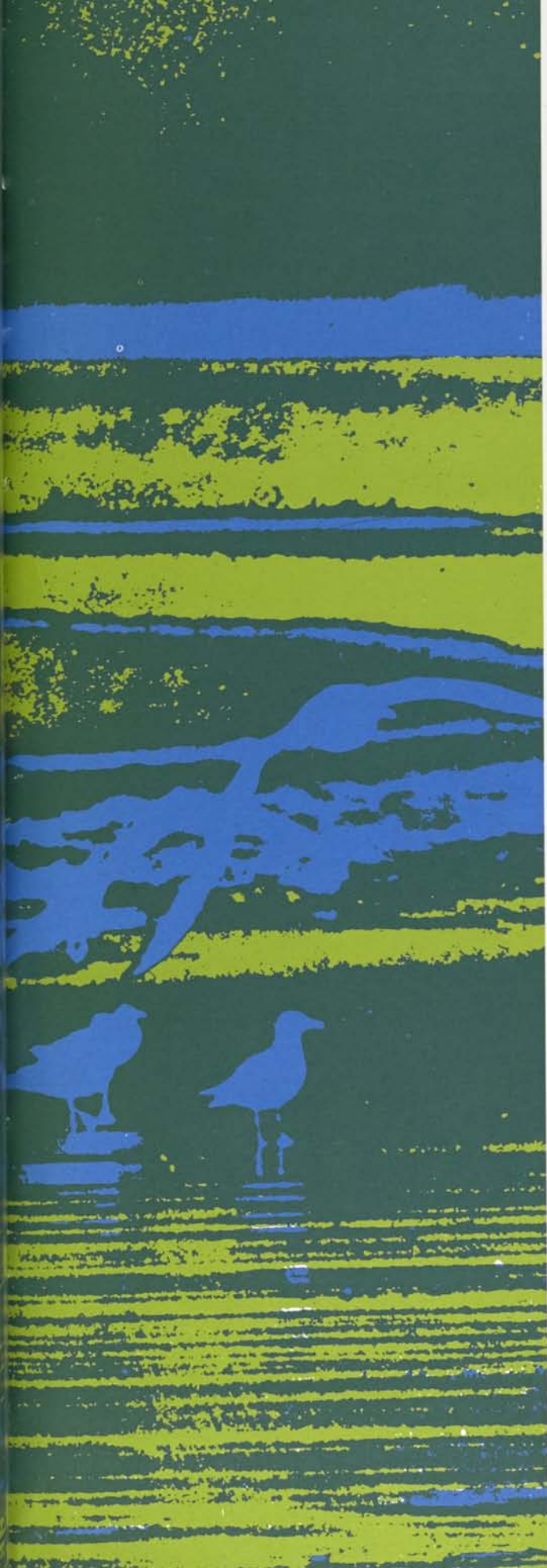
These arguments were difficult to refute.

But the overriding consideration, the reason for the need to revitalize the Port of Boston was that New England importers and shippers had to pay from \$100 to \$200 per truckload extra to have cargoes shipped to and from New York. This placed New England industries, with a dependency upon waterborne transportation, at a serious disadvantage with their competitors who were located closer to New York.

To culminate the series of disappointments in the port, the International Longshoremen's Association commenced what resulted in a 102-day strike in December 1968. When the strike was over in April 1969, however, the Port had its first signed labor contract in over a decade. Boston maritime







management involved with general cargo had finally freed itself from total New York domination and asserted its right to determine its own future. There finally was hope — precarious perhaps, but it constituted the first valid indication that the Port might have the necessary requirements for a comeback.

In the ensuing year and a half since the signing of the contract, there have been a series of other events leading to the realistic hope that Boston will eventually regain the position of prominence it once had among world ports in terms of service to New England import/export companies and in competitive excellence in the broadened hinterland.

1) A year and a half has now elapsed without a strike, walkout or lockout in the Port of Boston, resulting in a most dependable labor force and more competitive costs for steamship lines.

2) The first phase of Massport's \$15 million container complex, known as the Boston-Mystic Public Container Terminal, is scheduled for completion in early 1971. This terminal and its associated facilities will substantially increase Boston's prestige as a viable container Port.

3) The Sea-Land crane, built by Massport and leased to the container company four years ago is finally in operation at Castle Island for the first time. Calls by Sea-Land ships weekly at this other container facility are providing shippers with extensive reliable service to many world ports, not previously available from the Port of Boston.

4) Private foreign steamship owners, noting the progress that the Port is making, have begun to make substantial investments in ships and other facilities to serve New England industry. Among these, at least two lines have committed expenditures for the construction of several new, all-container ships to serve Boston.

5) Massport has been continually active, and recently successful, in equalizing rail rates whereby the railroads have agreed to absorb car loading charges in Boston as has been



their practice at competing ports for many years. This will constitute a major improvement in the competitive positions of many of the region's industries.

6) Through the efforts of Massport, and others, trucking firms serving New England shippers and importers have agreed to and are, in fact, organizing and tailoring their operations to meet the specialized needs of Port of Boston container shippers.

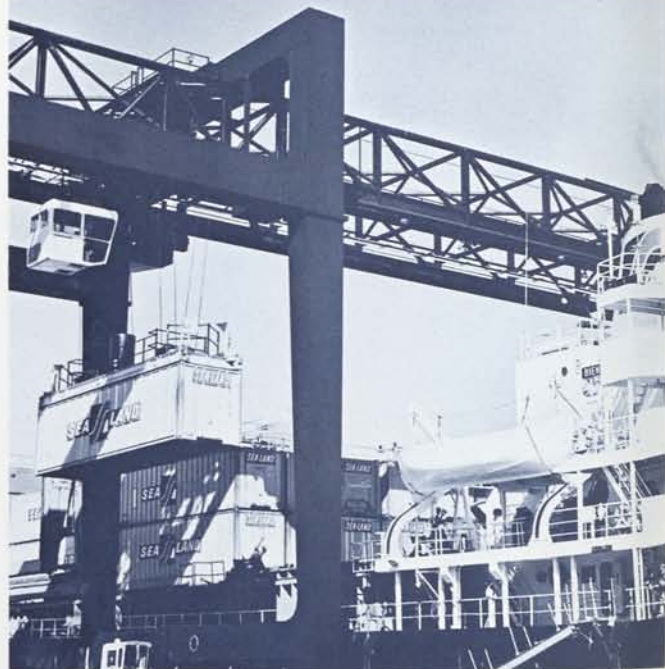
7) Perhaps the most essential ingredient in the forward progress being witnessed in the Port of Boston is the one provided by Massport in its role as catalyst for commerce. In addition to the economic support Massport provides in the form of Port modernization and new construction projects, its prime responsibility is the overall promotion of the Port — not just in terms of booklets and tours for prospective shippers but in the identification of Port problems and weaknesses and the subsequent construction of facilities and the promotion of ideas to overcome problem areas.

8) Direct promotional activities to inform shippers and importers of actual savings in both time and money by their use of the Port of Boston is continually being accelerated at both the domestic and overseas field trade promotion offices of Massport. The results have been encouraging. Export tonnages are on the increase and the range of cargoes being exported is steadily being expanded. New importers are being added almost daily. As the demands grow so will the services and facilities.

*(Upper left) Passenger ship lands at Massport's Commonwealth Pier.*

*(Upper right) Hansa Line loads export containers on new all-containership for Mediterranean ports.*

*(Bottom) Sea-Land container system offers weekly service to and from Boston.*





## Bridge Division

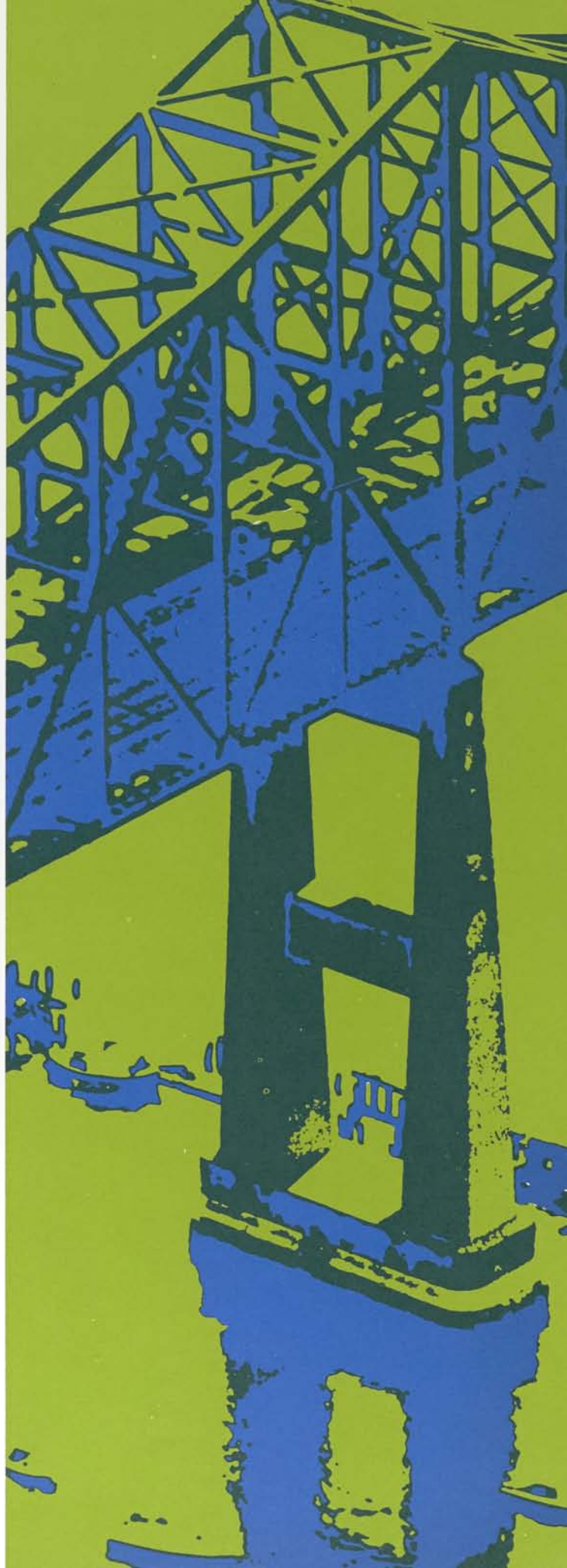
**T**HE Tobin Memorial Bridge — formerly the Mystic River Bridge — completed 20 years of service to the traveling public on February 27, 1970.

During its two decades of operation, approximately 363 million vehicles, ranging from motorcycles to multi-axle trucks have used the span. Most of the bridge traffic, however, consists of commuters and non-commuters living in the North Shore towns and for them it is and will continue to be a greatly convenient and indispensable transportation facility. It is also a vital link in the nationwide interstate highway system and has been officially designated as a part of the major north-south east coast route, I-95, which stretches from Maine to Florida.

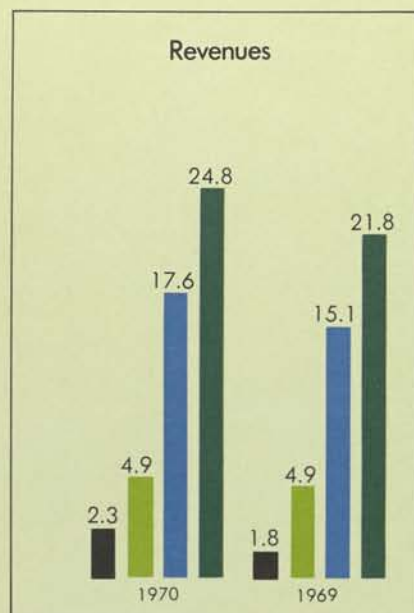
During its history there has been only one automobile and one multi-axle fare increase at the bridge. In 1953, the old Mystic River Bridge Authority raised tolls for commuter cars from 10¢ to 15¢. Non-commuter car tolls were raised from 15¢ to 25¢. At the same time, commuter sticker prices were raised from 50¢ to \$1.00. These are the same rates charged today — 17 years later. Trucks also, have experienced only one rate increase.

After 20 years of uninterrupted use, the surface of the Tobin Bridge, particularly the upper span which is completely exposed to the extremes of wind and weather, required resurfacing. A \$1.6 million reconstruction of the surface on the south side of the toll booths was commenced in September 1969, and was due to be completed in July 1970. However, two strikes, one by the steel haulers who were responsible for delivery of the heavy-duty steel grid and another by cement truck drivers resulted in a three-month delay in completion. Engineers estimate that except for minor routine maintenance, the new surface should have a life of approximately 50 years.

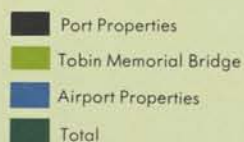
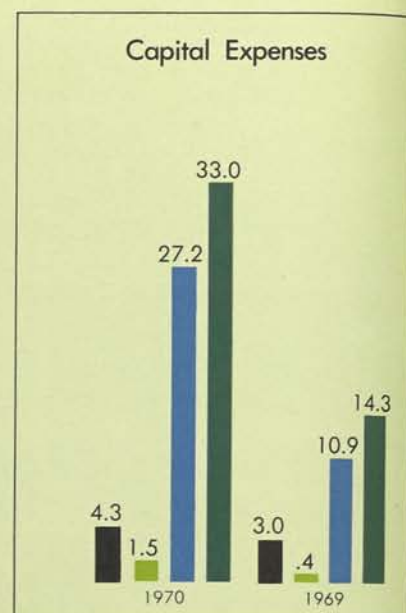
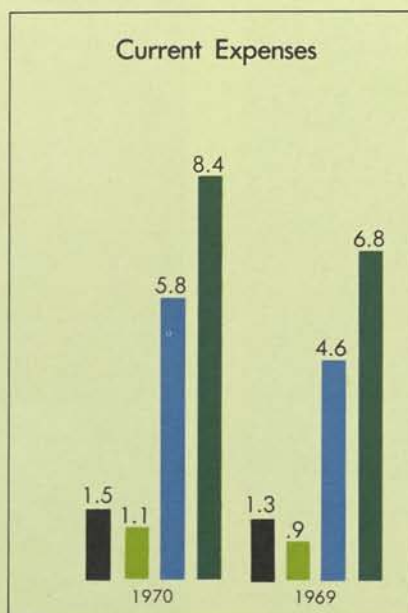
Massport's design of the toll-free Leverett Circle Bridge complex which would have brought substantial relief for Central Artery motorists has not been agreed to by the Metropolitan District Commission and, therefore, progress on this project has been suspended. However alternate plans are being studied by the MDC.



## Comparative Fiscal Highlights 1970-1969



in millions



### Appropriation of Income after Current Expenses

	1970	1969
To Debt Service	\$10,770	\$9,077
To Capital Expenditures	6,911	5,822
To Port Properties	704	700
Retained in Operating Funds	441	396

in thousands



**Balance Sheets**

	1970 (In thousands)	1969
<b>Assets</b>		
Cash	\$ 912	\$ 683
U.S. Government obligations and cash for debt service	13,429	11,258
Investments in U.S. Government obligations and certificates of deposit at cost which approximates market	39,710	63,092
Accounts receivable	1,932	2,326
Accrued interest receivable	917	652
Prepayments and other assets	335	231
	57,235	78,242
Investments in facilities (note A):		
Facilities completed:		
Bridge	22,985	22,941
Airports	112,045	89,531
Port	6,904	6,396
Construction in progress	55,305	41,190
	197,239	160,058
	<b>\$254,474</b>	<b>\$238,300</b>
<b>Liabilities</b>		
Notes payable (note B)	\$ 14,600	\$ 9,000
Accounts payable and accrued expenses	854	836
Retainage on contract payments	2,365	1,979
Deferred income	163	531
Accrued interest payable	3,611	3,848
Funded debt (note C)	147,270	155,720
	168,863	171,914
<b>Funds</b>		
Operating funds	3,500	3,146
Improvement and maintenance funds	40,683	33,791
Interest and sinking fund	11,455	9,695
Construction and other capital funds	29,973	19,754
	85,611	66,386
	<b>\$254,474</b>	<b>\$238,300</b>

The accompanying notes are an integral part of these financial statements.

**Statement of Sources and Uses of Revenues and Other Income**

	Bridge	Airport Properties (In thousands)	*Port Properties	Total
<b>Revenues of the Authority's facilities came from:</b>				
Tolls, fees and sales of services	\$4,913	\$ 4,839	\$ 628	\$10,380
Rentals	24	5,567	1,681	7,272
Concessions		6,838		6,838
Other		305		305
	<u>\$4,937</u>	<u>\$17,549</u>	<u>\$2,309</u>	<u>24,795</u>
In addition, the Authority earned income on the investment of funds held for debt service, facility improvement and operations				2,405
				<u>27,200</u>
<b>Total revenue and investment income were used:</b>				
<b>To pay current expenses:</b>				
Operations	518	2,807	466	3,791
Maintenance	284	1,308	99	1,691
Administration	191	1,559	853	2,603
Insurance	75	154	54	283
	<u>\$1,068</u>	<u>\$ 5,828</u>	<u>\$1,472</u>	<u>8,368</u>
<b>To provide for:</b>				
Interest on revenue and refunding bonds				3,169
Major maintenance and repairs of properties and operating equipment acquisitions				686
				<u>12,223</u>
Balance of revenues				<u>14,977</u>
<b>To provide for:</b>				
Required retirement of bonds			\$1,380	
Additional retirement of bonds			4,299	
Other debt service requirements			<u>1,923</u>	
Total debt service, excluding interest			7,602	
Improvement and extension of facilities			6,230	
Payment to Port Properties Fund (note D)			704	14,536
<b>Excess of revenues and investment income over revenues used, representing increase in operating funds</b>				<u>\$ 441</u>

\*None of the revenues from Port properties is available for debt service other than interest and principal requirements for all bonds issued for paying the cost of improvements to Port properties. Under the Enabling Act the revenues from Port properties, after certain deductions as defined therein, are to be paid to the Commonwealth of Massachusetts (note D).

The amount to be paid to the Commonwealth is determined annually on July 20th based on cash revenues and cash expenditures of the Port properties for the preceding fiscal year, less any accumulated deficit from prior years. For the fiscal year ended June 30, 1970 there is no payment due to the Commonwealth as shown by the following computation:

<b>Cash Revenues</b>	(In thousands)
Fees and rentals	\$2,184
Income from investments	29
<b>Cash Expenditures</b>	<u>2,213</u>
Current expenses	\$1,480
Cost of renewals, replacements and equipment	643
Debt service	242
Deficit for fiscal year ended June 30, 1970 (note D)	(152)
Prior years' deficit (note D)	(1,660)
<b>Total Port Properties deficit</b>	<u>(\$1,812)</u>

The accompanying notes are an integral part of these financial statements.



## Statement of Sources and Uses of Funds

	Operating Funds	Improvement and Maintenance Funds	Interest and Sinking Fund (In thousands)	Construction and Other Capital Funds	Total
Fund balances as at July 1, 1969 were	\$3,146	\$33,791	\$ 9,695	\$19,754	\$66,386
Funds were provided from:					
Revenues	441	6,916	10,771	704	18,832
Investment of unexpended construction funds				1,755	1,755
Federal Aviation Agency grants in aid of construction		482			482
Funds were transferred from Port properties fund to provide for debt service and maintenance		492	242	(734)	
Revenue and refunding bonds were purchased from revenues and retired:					
\$7,455,000 3.80% term bonds due 7/1/2004 purchased for \$4,935,000			(4,935)	7,455	2,520
\$995,000 3.50% serial bonds due 7/1/69			(995)	995	
Funds were used for:					
Interest on funded debt. Total interest paid and accrued was \$6,942,000, of this amount \$3,619,000 represents interest capitalized on projects under construction			(3,323)		(3,323)
Cost of major maintenance and repairs of properties		(954)			(954)
Cost of research studies	(87)				(87)
Inter-fund transfer		(44)		44	
Fund balances as at June 30, 1970 are	\$3,500	\$40,683	\$11,455	\$29,973	\$85,611

The accompanying notes are an integral part of these financial statements.

## Auditor's Opinion

Lybrand, Ross Bros. & Montgomery  
Certified Public Accountants

Massachusetts Port Authority  
Boston, Massachusetts

We have examined the balance sheet of Massachusetts Port Authority as at June 30, 1970 and the related statement of sources and uses of revenues and other income and statement of sources and uses of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported on the financial statements for the preceding year.

In our opinion, said statements present fairly the financial position of Massachusetts Port Authority as at June 30, 1970 and 1969, and the results of its operations for the year ended June 30, 1970, on a basis consistent with that of the preceding year.

Boston, Massachusetts  
September 4, 1970

*Lybrand, Ross Bros. & Montgomery*



# Notes to Financial Statements

## A — Accounting principles:

The Massachusetts Port Authority is a public instrumentality created by an Act of the Legislature of The Commonwealth of Massachusetts, effective June 21, 1956. The Authority has no stockholders or equity-holders. The provisions of the Enabling Act and the Trust Agreement with the Authority's bondholders govern the disposition of revenues and prescribe certain accounting practices for the Authority:

Investments in facilities include construction or acquisition costs, financing costs incurred in connection with the issue and refunding of bonds and interest paid from bond proceeds. Grants for construction from U.S. Government agency and others and interest earned on unexpended construction funds are credited to construction and other capital fund principal.

At June 30, 1970, \$900,000 is included in investments in facilities for payments made to the Commonwealth for completed Port facilities acquired February 17, 1959 (refer to note D — contingent liabilities and commitments).

No allowance is made for depreciation of facilities. Annual appropriations from revenues are required for debt service, extraordinary maintenance or repairs, renewals and replacements, and improving, extending and enlarging of facilities. Cost of such items is charged against funds provided from such appropriations.

## B — Notes payable:

In April 1970, the Authority issued \$14,600,000 one year notes with interest at 6.10% per annum.

The notes are secured by assignment of all rights, title and interest in and to the improvement and maintenance funds, except as prior rights may exist under its Trust Agreement dated July 1, 1964.

The notes provide that long-term debt will be issued prior to the due date of the notes.

## C — Funded debt:

Funded debt at June 30, 1970 and 1969 is comprised of

	1970	1969
	(In thousands)	
Revenue refunding and improvement bonds:		
Serial bonds:		
3.50%, 1970	\$ 1,035	\$ 2,030
3.40%, 1971-1976	7,000	7,000
3.50%, 1977-1982	8,610	8,610
3.60%, 1983-1989	12,565	12,565
Term bonds:		
3.80%, 7/1/2004	56,060	63,515
	<u>85,270</u>	<u>93,720</u>
Revenue bonds, series 1969-A:		
Serial bonds:		
4.75%, 1972	330	330
4.85%, 1973	340	340
4.95%, 1974	360	360
5.05%, 1975	375	375
5.15%, 1976	395	395
5.20%, 1977	405	405
5.25%, 1978	425	425
5.30%, 1979	445	445
Term bonds:		
5.875%, 7/1/2008	58,925	58,925
	<u>62,000</u>	<u>62,000</u>
	<u>\$147,270</u>	<u>\$155,720</u>

On October 1, 1969, the Authority's 4¾% revenue bonds (\$69,288,000 principal amount) were redeemed from funds held in escrow.

## D — Contingent liabilities and commitments:

Payments to The Commonwealth of Massachusetts for Port facilities:

In consideration for the Port properties acquired from the Commonwealth of Massachusetts on February 17, 1959 the Authority is required by the Enabling Act to pay annually to the Commonwealth an amount contingent upon cash revenues from the Port properties for the preceding fiscal year exceeding certain related cash expenditures. Such payments are to continue until the Authority has paid to the Commonwealth an amount as defined in the Enabling Act. At June 30, 1970, the sum so payable to the Commonwealth, not reflected in the accompanying financial statements, aggregated \$17,356,000.

Cash expenditures exceeded related revenues by \$152,000 in fiscal 1970, which amount has been added to prior years' cash deficiencies of \$1,660,000; accordingly, no payment is due with respect to the current fiscal year. The cumulative cash deficit of \$1,812,000 is to be applied against future Port property net revenues before payments in future years.

Reimbursements to the Commonwealth under State Retirement System:

The employees of the Authority were required, under the Enabling Act, to become members of the state retirement system and the Authority will be required to reimburse the Commonwealth for a proportionate share of any amounts expended by the Commonwealth on account of the Authority's employees. The liability of the Authority, under this provision, is not determinable prior to the dates on which the respective employees retire and no provision therefor is included in the accompanying financial statements.

Contractual obligations for construction:

Contractual obligations for construction were approximately \$26,000,000 at June 30, 1970.



## Executive Staff

**Thomas P. Callaghan**  
Assistant to the Executive Director

**John F. Halloran**  
Director of Public Relations

**Thomas H. Kuhn**  
Chief Engineer



**Neil L. Lynch**  
Chief Legal Counsel

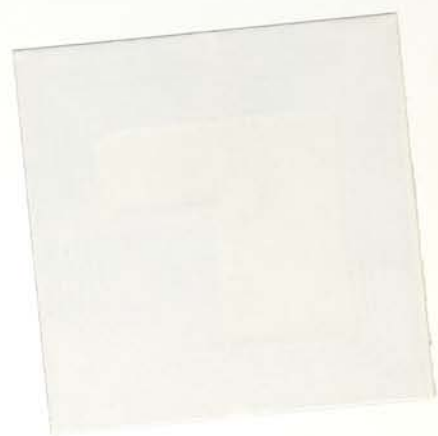
**Paul F. May**  
Director of Development



**Richard E. Mooney**  
Director of Aviation  
**George A. O'Brien, Jr.**  
Comptroller



**Kenneth C. Pearson**  
Manager, Tobin Memorial Bridge  
**Gordon D. Riedell**  
Director of Personnel  
**Thomas T. Soules**  
Port Director



## Massport Trade Promotion Offices

Chicago  
Henry L. Noga  
Manager



New York  
Daniel J. Kane  
Manager

Washington  
Richard T. Fleming  
Manager



Brussels  
Coenraad H.C. Everhard  
Director-General Europe/  
Africa

Tokyo  
Yasunori H. Matsui  
Manager, Far East

